

*Canadap*

**VENPOWER LIMITED**  
AND ITS WHOLLY-OWNED SUBSIDIARY COMPANIES

**CONSOLIDATED STATEMENT OF EARNINGS**

For the six months ended Dec. 31, 1972

	<u>1972</u>	<u>1971</u>
<b>REVENUE</b>		
Interest	\$103,782	\$ 69,167
Sale of power	—	424,883
	<u>103,782</u>	<u>494,050</u>
<b>EXPENSES</b>		
Operating and administrative	134,988	257,278
Provision for depreciation	3,312	157,962
	<u>138,300</u>	<u>415,240</u>
<b>EARNINGS (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEM</b>	(34,518)	78,810
Foreign income taxes	—	14,038
<b>EARNINGS (LOSS) BEFORE EXTRAORDINARY ITEM</b>	(34,518)	64,772
Extraordinary item less applicable income taxes	—	4,967
<b>NET EARNINGS (LOSS) FOR THE PERIOD</b>	<u>(34,518)</u>	<u>69,739</u>
<b>BASIC EARNINGS (LOSS) PER COMMON SHARE</b>		
Before extraordinary item	(1.2)¢	2.2¢
After extraordinary item	(1.2)¢	2.4¢

**CONSOLIDATED STATEMENT OF SOURCE  
AND APPLICATION OF FUNDS**

For the six months ended Dec. 31, 1972

	<u>1972</u>	<u>1971</u>
<b>SOURCE OF FUNDS</b>		
From operations		
Net earnings (loss) for the period	\$ (34,518)	\$ 69,739
Provision for depreciation	3,312	157,962
Organization and financing expenses	—	162,170
Profit on disposal of fixed assets	—	(401,881)
	<u>(31,206)</u>	<u>(12,010)</u>
Proceeds from disposal of fixed assets	—	2,407,205
Proceeds from issue of capital stock	120,000	—
Increase (decrease) in unrealized foreign exchange	—	58,973
	<u>88,794</u>	<u>2,454,168</u>
<b>APPLICATION OF FUNDS</b>		
Decrease in employees severance indemnities	—	66,354
Additions to fixed assets	16,559	300
	<u>16,559</u>	<u>66,654</u>
<b>INCREASE IN WORKING CAPITAL</b>	<u>72,235</u>	<u>2,387,514</u>
<b>WORKING CAPITAL, JULY 1</b>	3,607,620	1,303,584
<b>WORKING CAPITAL, DECEMBER 31</b>	<u>\$3,679,855</u>	<u>\$3,691,098</u>

VENPOWER LIMITED

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